

East Altamont Energy Center

Energy Commission & Western Area Power Administration



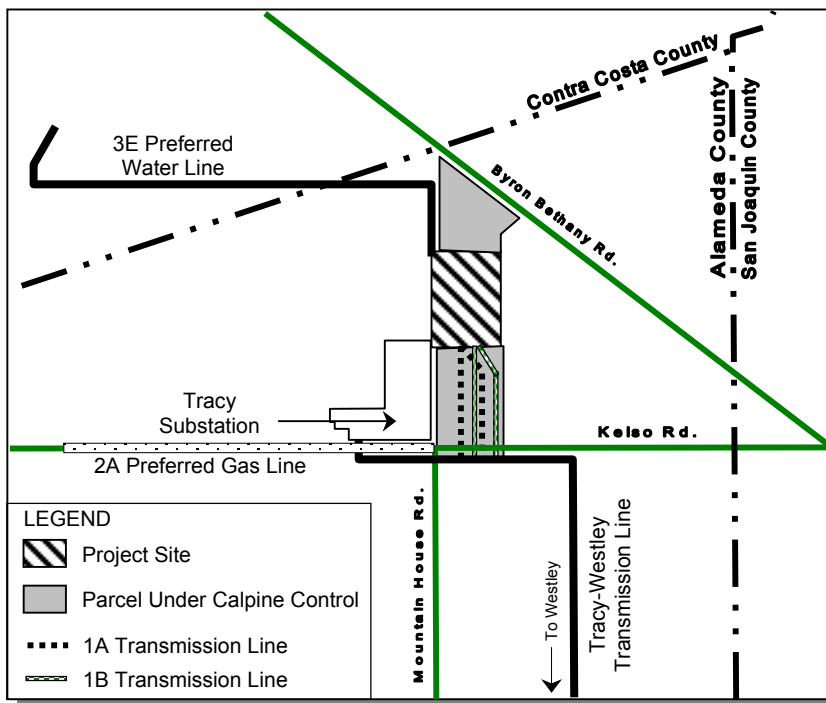
New power plant proposed in Alameda County

The Western Area Power Administration wants to hear from you about the proposed East Altamont Energy Center. Calpine Corporation proposes to develop the generating facility at the northeastern edge of Alameda County, near the Tracy Pumping Plant and Western's Tracy Substation. The proposal is to build the power plant on 55 acres of a 174-acre parcel of agricultural land. The facilities will include:

- A 1,100-megawatt nominal, natural-gas-fired, combined-cycle generating capacity plant, consisting of three combustion turbines and a condensing steam turbine.
- A 230-kilovolt switchyard.

- 0.5 mile of new 230-kV transmission line onsite to join an existing transmission line that connects to Western's Tracy Substation.
- 1.4 miles of new natural gas pipeline.
- 2.1 miles of a new water supply line and a pump station.
- Modifications to Western's Tracy Substation.

The power plant is proposed as a merchant plant. Private developers, rather than utilities, own these types of plants. Owners sell the power from merchant plants into the energy system to any buyer willing to make a purchase. The owners bear the financial risk and reap any benefit of developing and operating the power plant and selling the power.



The proposed East Altamont Energy Center project site is located in northeastern Alameda County.

Why is Western involved in the East Altamont Energy Center?

Western is a Federal power marketing agency under the U.S. Department of Energy that operates and maintains about 800 miles of high-voltage transmission lines and associated facilities in Northern California, including the Tracy Substation. Our mission is to market power from federal hydroelectric plants such as those at Shasta and Folsom dams.

Federal law requires us to provide entities, such as merchant power plants, open access to transmission services so that they can move power to load areas. We provide these services through

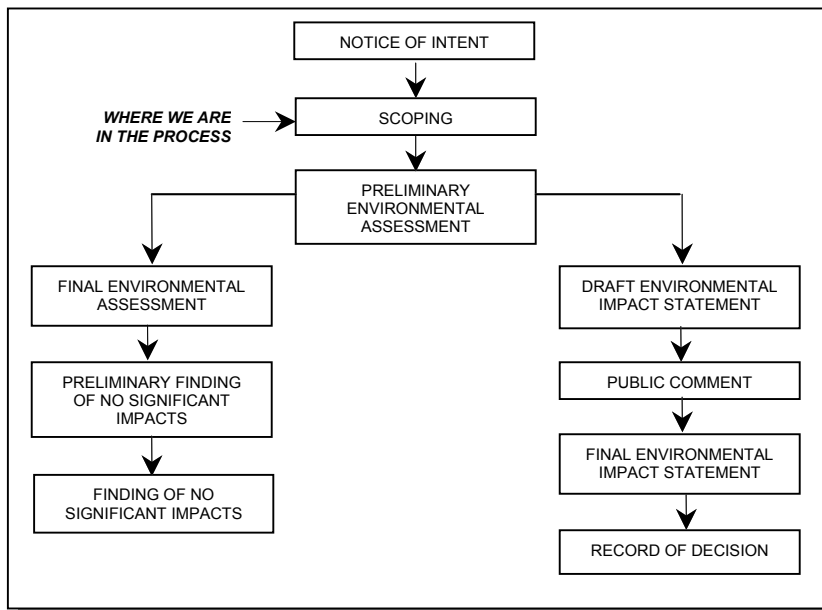
an interconnection if there is available capacity on the transmission line. Any entity requesting transmission services must abide by our Open Access Transmission Service Tariff and our General Requirements for Interconnection. (More information about these requirements is available on our web site at www.wapa.gov/interconn/intabout.) The developers of East Altamont have asked us for an interconnection between the proposed power plant and our transmission system at the Tracy Substation. Western proposes to make modifications at its Tracy Substation to accommodate the interconnection.

Western needs your help to consider environmental impacts

Before we can agree to the interconnection, we are bound by the National Environmental Policy Act to consider the project's potential environmental impacts. One of the first steps in the NEPA process is to ask the public to help identify the scope of, and alternatives to, the proposed action. Western is asking the public to identify any issues of concern to inform the agency about potential environmental impacts. Western wants the public to comment on the proposal, offer suggestions to improve the proposal, and even suggest alternative actions. You can provide input into this process by attending a joint Energy Commission/Western scoping meeting on November 14, 2001 (see page 4), or by e-mailing, delivering, or sending by mail or fax your comments to the contacts on the form enclosed with this newsletter.

This newsletter also serves as Western's notification of plans to prepare an environmental assessment. An EA gives us an opportunity to analyze and judge the magnitude of environmental impacts. If we find that there are no significant environmental impacts, we can issue a "finding of no significant impacts" and move forward with the project. If we determine that significant impacts are a possibility as we prepare the preliminary EA, we will prepare a draft environmental impact statement to take a more detailed look at the impacts and alternative approaches to the project.

The accompanying flow diagram shows the NEPA process for the East Altamont Energy Center. Details on the power plant proposal can be found at the Energy Commission's web site at www.energy.ca.gov/sitingcases/eastaltamont/index.



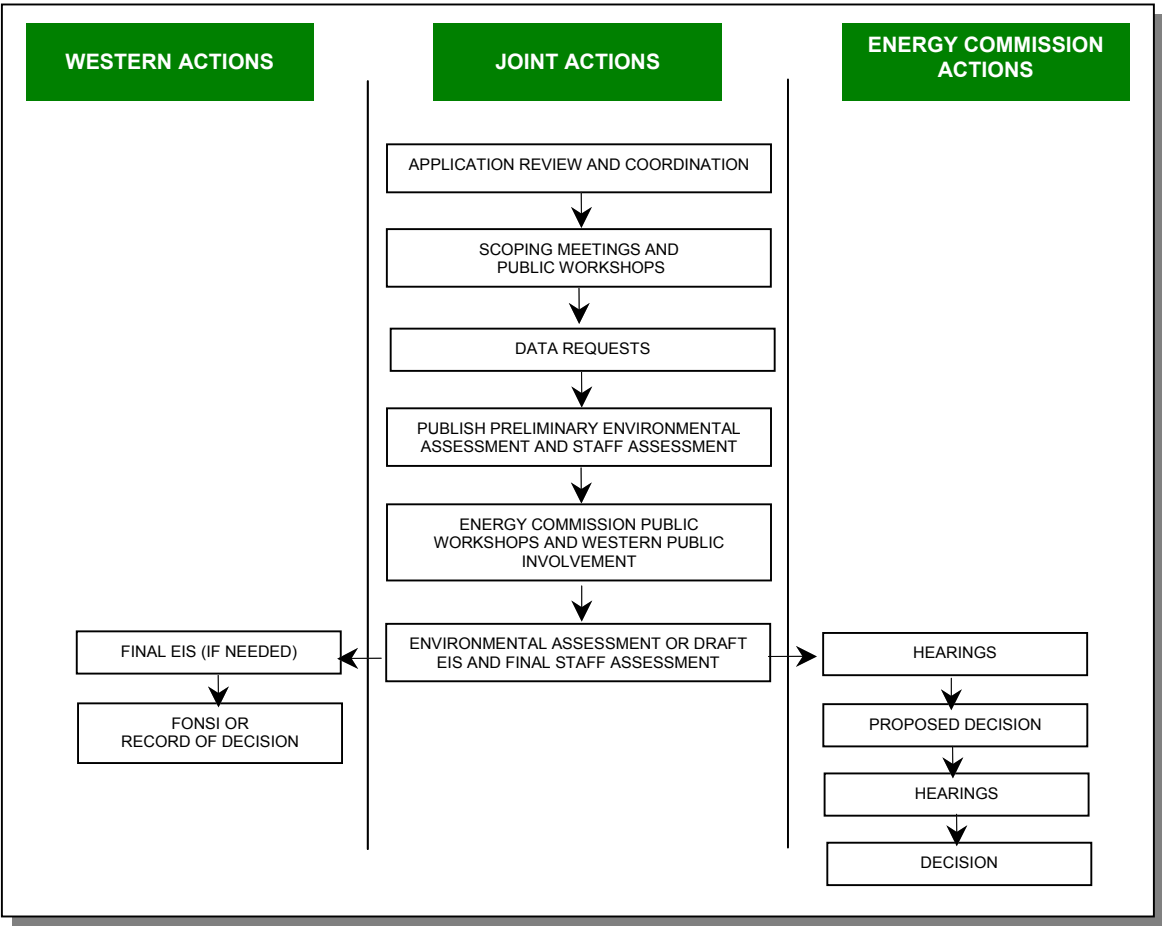
Western is applying the NEPA process to the proposed East Altamont Energy Center. The process will follow one of two paths.

Western and the Energy Commission are working together

For the proposed East Altamont Energy Center, our NEPA process will be meshed with the Energy Commission's siting/permitting process to streamline the environmental review and make it easier for the public to follow one process instead of two. The Energy Commission is responsible for reviewing the environmental impacts of the project in accordance with the California Environmental Quality Act and ensuring that the project complies with all local, state, and Federal laws, ordinances, regulations, and standards. In addition, the Energy Commission issues any state or local permits necessary for the construction of the power plant.

Public meetings and environmental documents will be prepared jointly. The first document will be a joint preliminary staff assessment (Energy Commission)/preliminary EA (Western). This joint document will be available to the public and will be circulated to state agencies and Indian tribes for

comment. The Energy Commission's final staff assessment will be combined with either the final version of the EA or a draft EIS, depending on the findings of the preliminary EA. If we determine that an EIS is necessary at any time in the course of preparing the EA, we will use the issues and alternatives identified during the EA scoping process in preparing the EIS, including input and comments received at the November 14 scoping meeting and comments on the preliminary staff assessment (Energy Commission)/preliminary EA (Western). If we decide that an EIS will be prepared, we will publish a Notice of Intent to Prepare an EIS in the *Federal Register* and invite further comments through joint Energy Commission/Western announcements. Western's NEPA process and the Energy Commission's siting/permitting process are shown in the accompanying figure.



Western and the Energy Commission have coordinated the NEPA and siting/permitting processes to streamline the environmental review.

What's the project schedule?

Western and the Energy Commission are conducting a joint scoping meeting on November 14, 2001, at the Livermore-Pleasant B.P.O.E. Elks Lodge No. 2117, 940 Larkspur Drive, Livermore, California, beginning at 6 p.m. The following timeline shows other near-term project milestones.

We will need your comments by January 7, 2002, to be considered in the final EA or draft EIS. However, you will be encouraged to comment to both the Energy Commission and Western throughout the entire NEPA process.

Project Timeline (Near-Term Milestones)



Legend

- ◆ Combined preliminary staff assessment and preliminary EA
- Western decision to prepare a draft EIS or a final EA
- ▲ Second Western newsletter published
- Final staff assessment combined with either draft EIS or final EA

Where can I get more information?

Feel free to contact Western or Energy Commission personnel familiar with the project (see Key Contact Information). Or visit the Energy Commission's website at www.energy.ca.gov/sitingcases/eastaltamont/index.

Key Contact Information

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